

23 February 2010

Dr Ron Ben-David
Chairperson
Essential Services Commission
Level 2, 35 Spring St
Melbourne 3000

Dear Dr Ben-David

Regulatory review – Smart Meters

VCOSS welcomes the opportunity to comment on the scope of the review of energy regulations in light of the introduction of interval metering infrastructure (smart meters) in Victoria.

The Victorian Council of Social Service (VCOSS) is the peak body of the social and community sector in Victoria. VCOSS works to ensure that all Victorians have access to and a fair share of the community's resources and services, through advocating for the development of a sustainable, fair and equitable society. VCOSS members reflect a wide diversity, with members ranging from large charities, sector peak organisations, small community services, advocacy groups and individuals involved in social policy debates.

The introduction of interval metering will have significant impacts on the way that households use and consume energy. Indeed these changes are a significant part of the rationale for these new meters. However as not all households will be able to change the way that they consume energy without significant assistance, and in some instances households will not have any capacity to adjust even with support, additional protections will be essential to protect affordability and access to essential services. The Review's scope should as a base principle ensure that vulnerable consumers are not negatively impacted by the introduction of this new technology.

VCOSS supports the areas of review already identified by the ESC including:

- the provision of transparent and accessible information to consumers;
- procedures around remote disconnection and reconnection; and
- the adequacy of assistance available to households who have difficulty paying due to smart meter billing.

Additional consideration should also be given to:

- the adequacy of the current minimum conditions for market offers that are enabled through interval metering technology (e.g. time of use and dynamic pricing products);
- regulations on the use of supply capacity control;
- access to and privacy of consumer consumption data;
- requiring retailer standing offers to reflect the network tariff shape;
- market monitoring and regular reporting on Time of Use (ToU) offers and pricing by the ESC;
- tools to assist in comparison of tariffs and different tariff structures;
- requirements for notification and informed consent of tariff changes for both standing and market offers; and
- requirements for the marketing of TOU or other smart meter enabled products by both retailers and distributors.

The introduction of smart metering and its associated products and tariff structures will present an additional level of complexity to consumers in accessing essential services. The purpose of this Review should be to ensure that the relevant codes and guidelines protect consumers in this new and complex environment.

If you have any queries about VCOSS' submission please contact Sarah Toohey, policy officer on (03) 9654 5050 or sarah.toohey@vcoss.org.au

Yours sincerely



Cath Smith
Chief Executive Officer